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TALKING POINTS FOR THE DCI
12 October 1983

Iran-Iraq

The Iran-Iraq war remains stalemated.

- ° No major fighting has occurred since early August when Iranian attacks in the central border area failed to gain ground.
- ° Iran is preparing new attacks, probably before late October when winter weather sets in.
- ° Iran's larger population and healthier economy give it a greater ability to withstand a long war.
- ° The conflict has become the most destructive Middle Eastern war in modern times. So far, Iraq has had about 60,000 killed; Iran at least 125,000.
- ° We see no progress toward a negotiated settlement.

Baghdad is desperately searching for a way to end the war and relieve its financial problems.

- ° We believe Baghdad intends to use the Super Entendard aircraft and Exocet missiles to break the stalemate. Oil tankers calling at Khark Island are the most likely target.
- ° With oil exports limited to the Turkish pipeline, Iraq has had to deplete its foreign exchange reserves and slash its imports. Iraq's oil income in 1983 will be about \$7 billion compared with nearly \$10 billion in 1982 and \$25 billion in 1980.
- ° Damascus, which has been supporting Iran, is considering reopening the Iraqi pipeline through Syria [redacted] If true, this could increase by 50 percent Iraq's oil income and reduce pressure on Baghdad to escalate the war.
- ° President Saddam Hussein is not in imminent danger of being ousted. He seems to have a grip on the ruling Baath Party and the security apparatus.

Ayatollah Khomeini is determined to continue the war at least until Saddam Hussein falls from power. He probably also wants to oust the Baath Party and install an Islamic regime in Baghdad.

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- ° Khomeini has threatened to close the Strait of Hormuz to all shipping if Iraq interferes with Iran's oil exports. Iran has the capability to do so unless challenged by Western naval and air forces.
- ° Tehran has also threatened to halt ships carrying arms to Iraq via Gulf ports. The only such deliveries are their Soviet ships that call in Kuwait about twice a week.
- ° Iranian leaders could choose other retaliatory options, including attacks on Arabian Peninsula Gulf oil and port facilities. Local military forces could not successfully defend against Iranian air or naval attacks.

The Khomeini regime faces no serious challenges to its war policy or its continued consolidation of control. Even if Khomeini died soon, the clerics are likely to stay in power.

- ° The regime seems to have responded effectively to recent demonstrations for better living conditions.

The protests encouraged by moderate senior clerics at major theological centers who oppose the Khomeini regime present a more potent challenge to the ruling clerics.

- ° If the clerical community cannot negotiate its disagreements, feuds between factions could trigger clashes between their armed supporters, especially after Khomeini's death.

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